



Chicago Metropolitan Agency for Planning

233 South Wacker Drive
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CMAQ Project Selection Committee Meeting

Annotated Agenda

November 14, 2008

11:00 a.m.

**Cook County Conference Room
233 S. Wacker Drive, Suite 800, Sears Tower
Chicago, Illinois**

Note: the meeting materials can be found at <http://www.cmap.illinois.gov/cmaq/minutes.aspx>

1.0 Call to Order and Introductions 11:00 a.m.
Ross Patronsky, Committee Chair

2.0 Agenda Changes and Announcements

ACTION REQUESTED: Information

3.0 Project Changes
No changes are ready to bring to the Committee at this time

4.0 Program Management
The memorandum distributed at the last meeting has been updated with additional considerations and comments.

ACTION REQUESTED: Discussion

5.0 Public Comment
This is an opportunity for comments from members of the audience. The amount of time available to speak will be at the chair's discretion. It should be noted that the exact time for the public comment period will immediately follow the last item on the agenda.

6.0 Other Business

7.0 Next Meeting
The next meeting will be on call.

8.0 Adjournment

CMAQ Project Selection Committee Members:

____ Ross Patronsky, Chair	____ Les Nunes	____ Jeff Schielke
____ Martin Buehler	____ Mark Pitstick	
____ Luann Hamilton	____ Mike Rogers	

Attending CMAQ Project Selection Committee Meetings at Sears Tower:

CMAQ Project Selection Committee meetings are public meetings; the public is invited to attend. Passes are available for people attending these meetings at the CMAP offices. If you wish to attend but have not attended meeting regularly, please call or e-mail Doug Ferguson (312-386-8824, dferguson@cmap.illinois.gov) in advance to be added to the list. For requests or problems on the day of the meeting, please call the CMAP main reception desk at 312-454-0400. A driver's license, state ID, or passport will be required to enter.

CMAQ STRATEGIES FOR DISCUSSION

November 13, 2008 1:00 p.m. Draft

The CMAQ Project Selection Committee has discussed many strategies for creating a more effective programming process to assure that the region gets the congestion reduction and air quality improvements of projects more quickly and does not have a large amount of unobligated funding in danger of being lost to the region.

The region has over \$200 million in unobligated CMAQ funds. There exists a potential for \$39 million in funds from FY 2006 to lapse at the end of FY 2009 (September 30, 2009). The region also faces the continued threat of federal rescissions that target unobligated balances. Approximately \$69 million in CMAQ funding has been rescinded to date.

It is recognized that with over \$200 million in unobligated funds, it is not feasible to zero out the balance in one year. Annual obligation targets should be considered.

The Project Selection Committee has taken steps to reduce the unobligated balance and speed the implementation of projects. The primary strategy to date is multi-year programming, begun in FY 2007. Under multi-year programming, project phases are programmed in successive years, so that funds for later phases are not automatically increasing the unobligated balance.

In addition, multi-year programming presumes that the sponsor is ready to begin the initial phase in the first year. Projects that have not initiated their initial phase by the end of the first year are subject to funding withdrawal. FY 2007 and FY 2008 projects that have not been initiated have been contacted and given a deadline of December 31, 2008 to either obligate funds (FY 2007 projects) or initiate the project (FY 2008 projects). Projects that do not meet this deadline will be reviewed in early 2009 to determine whether their funding should be withdrawn.

Additional measures need to be taken to ensure that these projects continue to move forward, that delayed projects do not tie up CMAQ funds that could be obligated for other projects, and that older projects (FY 2006 and before) are actively managed to move them to completion and obligate those funds in a timely manner.

What follows is a summary of strategies discussed at prior Project Selection Committee meetings. The strategies and their pros and cons are not in any particular order and the pros and cons are subjective. Many of these strategies affect staffing commitments and depend on the state appropriation levels.

1. Enhance policies that clearly outline deadlines for actions and consequences for project delays and substantially increase program management.

Pros

- Reduced uncertainties in managing the program.
- Frees up unobligated funds for increases and new projects at a faster rate.

Cons

- This longer-term solution would not help solve the current problem of a large unobligated balance.

- Worthwhile projects that may have run into unforeseen barriers to complete work may be moved to out years or have funding withdrawn.

2. Place all programmed projects into an out year, bringing phases forward only when they are ready to be obligated. The out years would be over-programmed and the current year under-programmed.

Pros

- Improves staff and committee knowledge of projects' status.
- Increases competition among project sponsors for funds and so may encourage sponsors to pay closer attention to the progress of CMAQ funded projects and push projects forward so that they can guarantee funds in a particular year for their project.
- Ensures adequate funds available for programming in current year for projects that are ready to be obligated.

Cons

- No guarantee that funds would be available when projects are ready to go.
- No sanctions for failure to make progress.
- Non-exempt projects could be problematic requiring a TIP Amendment and conformity analysis.

3. Reject applications with missing information and direct that sponsor reapply in subsequent year. To avoid missing data in applications, hold mandatory workshops for agencies that are applying.

Pros

- Tremendous reduction in the number of applications to be evaluated.
- Saves staff time to allow for more project monitoring

Cons

- Penalizes sponsors that do not understand the application.
- Does not distinguish between minor omissions and applications that are not ready
- Does not directly address the unobligated balance issue.

4. Program a portion of the unobligated balance for completed projects that have not been finalized out.

Pros

- More funds available for programming.

Cons

- Project might need more funding when final voucher is processed.
- Does not directly help projects to move forward.

5. Impose a minimum funding level to ensure federalizing the project is worth it.

Pros

- More funds get obligated at one time.
- Using local rather than federal funds may substantially reduce the cost of a small project.
- Fewer projects to manage.

Cons

- If a large project is delayed, then larger amounts are unobligated.
- Smaller agencies could be locked out from the program.
- Could reduce many small cost effective projects.

6. Move projects that are delayed to out-years and use available funds for cost increases for projects that are ready to go, with or without regard to new cost/benefit analysis. This applies to pre-2007 programmed projects.

Pros

- Projects needing increased funding will be accomplished and the associated congestion reduction and/or air quality improvements will benefit the region.
- While ready to go projects may not have higher air quality or congestion reduction benefits, if currently funded project is not completed then no benefits are realized.
- Sponsors can use their non-CMAQ funds to accomplish additional projects in the region.

Cons

- Ready to go projects may have less air quality or congestion reduction benefits.
- Reduces available funding in the out-year programs.
- Potential for sponsors to game the process by underestimating project costs at time of application. Would require increased staff time (including IDOT Local Roads) to ensure accurate cost estimates.
- Higher cost projects that were not selected based on the cost-benefit analysis are penalized (only applies for cost increases where the cost/benefit analysis shows the project dropping in rank).

7. Move projects that are delayed to out-years and use available funds to fund new projects that are ready to go. This applies to pre-2007 programmed projects.

Pros

- Spends down unobligated CMAQ balances.
- Funds new projects and accomplishes congestion reduction and/or air quality improvements that benefit the region.

Cons

- Reduces available funding in the out-year programs.
- No guarantee that proposals that have been through the CMAQ evaluation process but not funded are ready to go when contacted later.

8. Withdraw funding from projects that are not ready to go and use freed funds for increases or fund new projects that are ready to go from prior application cycles.

Pros

- Projects that need increased funding will be accomplished and the associated congestion reduction and/or air quality improvements will benefit the region.
- Pressure will be put on sponsors to get funds obligated at a faster rate.
- Leaves funds in out years for future programming cycles.

Cons

- Potential for cancelling worthwhile projects that have run into unforeseen barriers.
- Payback of federal funds expended may be required unless project is not feasible.
- No guarantee that proposals that have been through the CMAQ evaluation process but not funded are ready to go when contacted later.

9. “Over program” funds so that projects that are ready to move forward can do so and use the available CMAQ funds on a first come, first served basis.

Pros

- Serves as motivation to sponsors to accomplish projects which include CMAQ funds sooner.
- Increases the likelihood of reducing the unobligated balance.

Cons

- No project is guaranteed funding.
- Potential for a fiscal constraint issue in the TIP.
- Lack of available funds could be an issue in 5 to 6 years given that the unobligated funds were reduced to zero.

10. In addition to the traditional program of projects, generate a “B” list of projects adopted by the Policy Committee that could move into the program when other projects are delayed.

Pros

- Unlike the “over programmed” strategy, this would mean that funds would be available for all programmed projects in the “A” list.

Cons

- Reduces the amount of funds available for increases to existing programmed projects.
- No guarantee that the “B” list projects would be ready to go any faster than the currently programmed projects.

11. Program funds for projects that have an increased likelihood of being obligated by the end of that fiscal year. This would primarily apply to transit projects and some of the projects in the “other” and “diesel emission reductions” categories.

Pros

- Obligations occur at faster pace

Cons

- No guarantee that those projects would be completed
- With transit projects that don’t move forward, the committee could be forced to move funds to other transit projects in the same grant to avoid losing funds to FTA deobligation procedures.
- Many of the eligible locally and IDOT sponsored travel flow improvement projects would not be funded.

12. Do not allow CMAQ funds to be used for phase I engineering and only fund projects with that phase completed

Pros

- Reduces number of applications and allows more staff time for project monitoring.
- Reduces the number of stalled, unobligated projects in the program.
- Projects that receive funding would already have taken a large step forward in demonstrating a commitment to completing the project.
- Fewer cost increase requests, since projects are better scoped.

Cons

- Puts a heavier financial burden on locals and could keep municipalities with less fiscal resources from applying.
- Sponsors may be unwilling to program big projects with larger air quality benefits, since funding would not be guaranteed.

13. Increase the federal share of funding above 80% for projects ready to obligate funds by the end of fiscal year 2009.

Pros

- Guarantee of 100% funding only through SFY 09 could motivate sponsors.
- Makes a larger dent in the unobligated balance the current fiscal year.

Cons

- MPO Policy Committee has already rejected this idea.
- Would need to withdraw funds from other projects or move funds programmed for other projects to out years to make up the difference.
- This is only a very short term strategy that would benefit sponsors that can obligate their projects in FY 2009.

14. Implement extreme expiration clause, i.e. if Phase I engineering is not started within 1 year of being accepted on the program, the money is withdrawn

Pros

- Ensures project movement.
- Frees up funds in current and out years.

Cons

- Some projects with unforeseen delays may be revoked.

15. Add monitoring of municipal projects to Planning Liaisons duties, including assistance with applications.

Pros

- Takes advantage of existing relationships between PLs, municipalities and consultants.
- Allows for more accurate programming of municipal projects.

Cons

- Adds more levels of government for project administration.

16. Sponsors of already programmed projects with a certain percentage of unobligated funds over total programmed funds would not be eligible for funding for new projects.

Pros

- Would reduce the number of projects by sponsors that do not have the fiscal resources to move more projects towards completion.
- Sponsors would withdraw stalled projects on their own to reduce their percentage allowing them to apply for funding for new projects.

Cons

- Could hinder new projects with good air quality or congestion benefits from being funded.



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MEMORANDUM

To: CMAQ Project Selection Committee

Date: November 13, 2008

From: Ross Patronsky, Senior Planner
Doug Ferguson, Associate Planner

Re: Staff Recommendations for CMAQ Programming Changes

A: Programming of CMAQ funds for new projects

- 1) Application materials
 - a) Applications submitted without the following will be rejected:
 - i) Complete project financing & CMAQ funding request section
 - ii) Input module worksheets (traffic flow improvement projects only)
 - iii) Scoping document (traffic flow improvement, commuter parking and pedestrian/bicycle projects only)
 - b) If an application is missing other information, only one attempt will be made via email to collect that information. If the sponsor does not respond by the deadline then the application will be rejected. Staff recommends 30 days from the date of the email as the deadline.
 - c) Project applications submitted by municipal agencies (villages, cities, park districts, school districts, townships, etc.) required to be submitted through their COM staff (Planning Liaison (PL)).
 - i) The individual PLs would be responsible for reviewing applications and assuring completeness.
 - ii) A PL sign-off will be required.
- 2) Programming Funds
 - a) Fund phase I engineering separately from other phases
 - i) Future phases are not eligible for funding until design approval has been obtained.
 - ii) Sponsor must apply for future phases, phase II engineering, right-of-way acquisition, and construction.

- b) Projects that don't apply for phase I engineering must have design approval by June of the application cycle to be considered for funding of additional phases.
- c) The CMAQ program mark will be the federal apportionment.
- d) Create a "B" list of projects in the programming cycle approved by the MPO Policy Committee. It will include all projects with a reasonable cost/benefit ratio.

B: Active Program Management of Projects

- 1) Projects with funds programmed prior to 2007
 - a) Move funding (reprogram) for these projects to realistic out years for the unobligated phases.
 - i) The funding made available by moving the phases out of 2009 would be available for potential cost increases for already approved projects.
 - ii) If the amount of funds made available is of a sizeable amount, then new projects could be considered.
 - iii) Once this is done the project could move funding for an approved phase one more time before it is considered for withdrawal of funding.
 - iv) If phases of the projects move beyond the final year of the TIP (2012) into MYB, the funding for those MYB phases will be withdrawn. Sponsor will need to reapply at the appropriate time for funding.
- 2) Projects approved only for phase I engineering would have only one fiscal year to initiate phase I with a federal authorization/obligation. Failure to do so would cause funding to be withdrawn from the project.
- 3) Projects programmed in the multi-year programming with phases beyond phase I engineering could move funding to new fiscal years only once. Funding will be withdrawn if the funding is not obligated in that new fiscal year. If any phases are moved beyond the last year of the TIP into MYB then funding for that phase will be withdrawn.
- 4) Review of projects with phases in the annual element would be conducted in May.
 - a) Projects that will not obligate their annual element phase by the end of the fiscal year will be able to use their one time move of funding to a new fiscal year unless it is phase I engineering.
 - b) Projects included in the "B" list will then have the opportunity to use those available funds.
- 5) Review of project status on all projects would be conducted in October. A list of all projects expected to be let or entered into a grant will be specified.
 - a) At this time sponsors can use their one move of phases programmed in the past fiscal year to a new year.
 - b) Projects that have already made their one move of fiscal year would have their funding withdrawn.
 - c) Funds made available could be used to program new projects from the just completed programming cycle.

- 6) Send a request to the MPO Policy Committee to reconsider 100% funding for public sector projects that will obligated in 2009.
 - a) Identify projects that are going to be let in 2009
 - b) This is a one time action to reduce unobligated balance and reduce the potential for lapsing funds at the end of 2009.

Memorandum

To: Ross Patronsky, CMAP
Doug Ferguson, CMAP

From: Christopher Staron, Program Associate for Transportation & Planning Liaison –
North Shore Council of Mayors

Date: November 10, 2008

Subject: **Comments from Councils of Governments & Mayors on CMAQ Strategies**

Purpose: The purpose of this memorandum is to present the status of recommendations from the Chicago region's Councils of Governments and Councils of Mayors to the CMAQ Project Selection Committee.

Background: The Congestion Mitigation and Air Quality (CMAQ) program for Northeastern Illinois is in danger of rescissions and lapsing federal funds at the end of FFY 2009. As of May 2008, there was over \$200 million in unobligated CMAQ funding. These unobligated funds are committed to programmed projects; however, many projects in the CMAQ program have been chronically delayed and unable to obligate funds. Staff members from the Chicago region's Councils of Governments and Councils of Mayors have discussed a united response to address the situation. The agreed upon joint draft letter urges the CMAQ Project Selection Committee to pursue obligating the backlog of federal funds and adopt policies and procedures that enforce timely project delivery in the future. The letter has not been approved by all the Councils of Governments and Councils of Mayors; however, because the CMAQ Project Selection Committee is discussing program strategies at their November 14, 2008 meeting, the letter is being sent with the accompanying status of current and pending approvals.

Approval Status:

DuPage Mayors and Managers Association:	Letter Approved (Attached)
Kane/Kendall Council of Mayors:	Letter Approved (Attached)
Southwest Conference of Mayors:	Letter Approved
Will County Governmental League:	Letter Approved
Northwest Municipal Conference:	Approved by Executive Board, Full Board approval expected on Nov. 12
McHenry County Council of Mayors:	Pending approval at Nov. 20 Council meeting
North Central Council of Mayors:	Expecting Committee Chair signature this week
Central Council of Mayors:	No Committee meeting until Jan. – Discussing options for approval
Lake County Council of Mayors:	Council meets annually in April – will not take up issue
South Suburban Mayors and Managers Association:	



DUPAGE MAYORS AND MANAGERS CONFERENCE

an association of municipalities representing 1,000,000 people

1220 Oak Brook Road
Oak Brook, Illinois 60523
(630) 571-0480
Fax: (630) 571-0484
www.dmmc-cog.org

Founded June 19, 1962

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St. Charles
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Warrenville
Wayne
West Chicago
Westmont
Wheaton
Willowbrook
Winfield
Wood Dale
Woodridge

November 6, 2008

Ross Patronskey, Chairman
CMAQ Project Selection Committee
Chicago Metropolitan Agency for Planning
233 S Wacker Drive, Suite 800
Chicago, IL 60606

Dear Mr. Patronskey:

The Congestion Mitigation and Air Quality (CMAQ) program for Northeastern Illinois has reached a critical stage. With federal funds in danger of lapsing, rescissions looming, and the CMAQ program's unobligated balance growing, the Chicago region's Councils of Governments and Councils of Mayors urge the Committee to aggressively pursue active program management to obligate the backlog of federal funds and adopt policies and procedures that enforce timely project delivery in the future. As of May 2008, there was over \$200 million in unobligated CMAQ funding, a portion of which is at risk of lapsing and rescission at the conclusion of SAFETEA-LU in less than a year. CMAP staff has repeatedly warned that unobligated federal funds are at risk of rescission, and the CMAQ program has already been hurt by periodic federal rescissions. Since the move to multi-year programming in FY 2007, the CMAQ Project Selection Committee has begun to review projects with insufficient progress, and on occasion have withdrawn project funds; however, this ad hoc approach to program management will not address the pressing issues.

Depending on the timing and size of a cost increase request, unobligated CMAQ funds may not be available. Instead, these funds are committed to programmed projects, some of which may be chronically delayed. In May 2008, the CMAQ Project Selection Committee received a list of 131 CMAQ projects programmed before 2008 with at least \$100,000 in unobligated funding. This list contains projects programmed as far back as FY 1999. Currently, the Committee has no policy or plan for addressing these projects. In addition, the transition to multi-year programming has not addressed the problem of unobligated funds. Seven months after the end of FY 2007, the percent of funds obligated was 33.88%. As of August 27, 2008, 43 out of 71 projects programmed in FY 2008 had not obligated any funds.

In the short-term, the region's Councils of Governments and Councils of Mayors recommend that the CMAQ Project Selection Committee aggressively pursue actions that can obligate CMAQ funds in FY 2009 such as:

- Identifying projects that will not obligate CMAQ funds in FY 2009
- Reprogram funds towards projects ready to spend CMAQ funds in FY 2009
- Determine if projects are programmed in the appropriate year and take reprogramming action when necessary

The Planning Liaison staff has prepared the attached project status report in an effort to assist the Committee with these recommended actions.

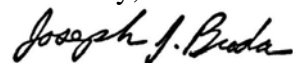
In the long-term, the Committee must adopt policies and procedures for future CMAQ projects that establish expectations and consequences for project sponsors such as:

- Project sponsors need to understand the federal process for obligating funds and know their responsibilities for completing a project
- The CMAQ application packet should outline the roles and responsibilities of the project sponsor, IDOT, CMAP and any other relevant agency
- Project sponsors must provide a detailed project timeline with key state and federal milestones with their project application (similar to many Council of Mayors' STP project schedules)
- The application materials should clearly outline deadlines for actions by sponsors and consequences for missing these deadlines

Such policies exist on the local level in many Council of Mayors' STP policies and in other regions, such as the East-West Gateway Council of Government in the St. Louis region and the Metropolitan Transportation Commission of the California Bay Area. These policies establish expectations, require regular program monitoring, and ultimately create consequences. As an additional step of active program management, In October, the MPO Policy Committee instructed the CMAP staff to develop a process for withdrawing CMAQ projects.

At a time when capital dollars are scarce, the Chicago region's Councils of Governments and Councils of Mayors are committed to assist the Committee and CMAP in improving the efficiency and effectiveness of the CMAQ program. The Planning Liaison staff is available to assist the Committee with identifying projects that could be either postponed or accelerated. We look forward to CMAP's consideration of the recommendations contained in this letter and would be happy to answer any questions or provide additional information.

Sincerely,



Joseph Broda, President

KANE/KENDALL COUNCIL OF MAYORS

41W011 Burlington Road • St. Charles, Illinois 60175 • (630) 584-1170



Chicago Metropolitan
Agency for Planning

MAYOR JEFFERY SCHIELKE, Council Chairman
PRESIDENT LARRY KELLER, Council Vice-Chairman

STEVE COFFINBARGAR, Council Director
HOLLY SMITH, Deputy Director
MIKE SULLIVAN, Regional Planning Liaison

November 6, 2008

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CMAQ Project Selection Committee
Chicago Metropolitan Agency for Planning
233 S Wacker Drive, Suite 800
Chicago, IL 60606

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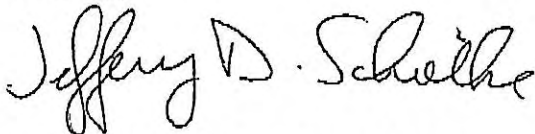
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Sincerely,

A handwritten signature in black ink, reading "Jeffery D. Schielke". The signature is written in a cursive, flowing style.

Jeffery Schielke, Mayor, City of Batavia
Chairman, Kane/Kendall Council of Mayors

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November 12, 2008

Ross Patronskey, Chair
 CMAQ Project Selection Committee
 Chicago Metropolitan Agency for Planning
 233 S Wacker Drive, Suite 800
 Chicago, IL 60606

Dear Mr. Patronskey:

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In the short-term, the region's Councils of Governments and Councils of Mayors recommend that the CMAQ Project Selection Committee aggressively pursue actions that can obligate CMAQ funds in FY 2009 such as:

- Identifying projects that will not obligate CMAQ funds in FY 2009



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Forest View
Franklin Park
Hillside
Hodgkins
Indian Head Park
LaGrange
LaGrange Park
Leyden Township
Lyons
Lyons Township
Maywood
McCook
Melrose Park
Norridge
Northlake
North Riverside
Oak Park
River Forest
River Grove
Riverside
Rosemont
Schiller Park
Stickney
Stone Park
Summit
Westchester
Western Springs
Willow Springs

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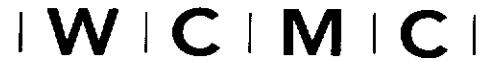
Daniel Pritchett
Franklin Park

Harold J. Wiaduck
Riverside

Patrick T. Rogers
Lyons Township

EXECUTIVE DIRECTOR

Richard F. Pellegrino



WEST CENTRAL MUNICIPAL CONFERENCE

- Reprogram funds towards projects ready to spend CMAQ funds in FY 2009
- Determine if projects are programmed in the appropriate year and reprogramming action when necessary

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River Grove, IL 60171
708/453-9100 fax 708/453-9101
www.westcook.org

The Planning Liaison staff has prepared the attached project status report in an effort to assist the Committee with these recommended actions.

In the long-term, the Committee must adopt policies and procedures for future CMAQ projects that establish expectations and consequences for project sponsors such as:

- Project sponsors need to understand the federal process for obligating funds and know their responsibilities for completing a project
- The CMAQ application packet should outline the roles and responsibilities of the project sponsor, IDOT, CMAP and any other relevant agency
- Project sponsors must provide a detailed project timeline with key state and federal milestones with their project application (similar to many Council of Mayors' STP project schedules)
- The application materials should clearly outline deadlines for actions by sponsors and consequences for missing these deadlines

Such policies exist on the local level in many Council of Mayors' STP policies and in other regions, such as the East-West Gateway Council of Government in the St. Louis region and the Metropolitan Transportation Commission of the California Bay Area. These policies establish expectations, require regular program monitoring, and ultimately create consequences. As an additional step of active program management, In October, the MPO Policy Committee instructed the CMAP staff to develop a process for withdrawing CMAQ projects.

At a time when capital dollars are scarce, the Chicago region's Councils of Governments and Councils of Mayors are committed to assist the Committee and CMAP in improving the efficiency and effectiveness of the CMAQ program. The Planning Liaison staff is available to assist the Committee with identifying projects that could be either postponed or accelerated. We look forward to CMAP's consideration of the recommendations contained in this letter and would be happy to answer any questions or provide additional information.

Sincerely,

Mayor Jeffrey Sherwin, City of Northlake
North Central Council of Mayors
West Central Municipal Conference

